

Notice Concerning Business Alliance with EIKEN INDUSTRIES CO., LTD

YAMASHIN-FILTER CORP. at the Board of Directors meeting today, the company resolved to conclude a basic agreement on a business alliance with EIKEN INDUSTRIES CO., LTD (hereafter "EIKEN"). Details are as follows.

1. Reason for signing the basic agreement

EIKEN INDUSTRIES Co., Ltd. is mainly engaged in manufacture and sales of high-precision and high-quality engine oil filters, fuel filters and engine air filters for automobiles, etc.

YAMASHIN-FILTER CORP. manufactures and sales hydraulic filters and process filters for industrial machinery, with placing the hydraulic oil filter for construction machinery as a core.

With this business alliance, both companies aim to exploit the management resources and operating knowhow that they possess and enhance their operational efficiency, in order to achieve further growth in earnings as a result. Consequently, they have entered into a basic agreement on a business alliance concerning the manufacture and sales of each other's products. By entering into this business alliance with EIKEN, the company would be able to enhance the level of service for existing customers with expanding the scope of its product line-ups, and to enjoy new business opportunities by developing new customers outside of the construction machinery market. Both companies will strive to build up this partnership, and to ensure that it results in sustained growth and in the enhancement of the corporate value of both companies for the medium term.

2. Profile of alliance partner

(1) Name	EIKEN INDUSTRIES CO., LTD (Tokyo Stock Exchange JASDAQ (Standard))
(2) Locations	1370 Kadoya, Omaezaki-shi, Shizuoka-ken
(3) Status and name of representative	Yoshimitsu Hayama, President
(4) Business	Manufacture and sales of filters for automobiles and gas appliances
(5) Capital	601 million yen
(6) Established	February 1969

(7) Major shareholders and ownership ratio (as of October 31, 2015)	IKUKO HORIE	13.21%	
	YUKIKO ISHIDA	5.58%	
	MARIKO YASUIKE	5.55%	
	SAYURI SHIMIZU	5.48%	
	HATSUE SENBA	2.74%	
	SHIZUOKA BANK LTD	2.74%	
	KAORU KOHNO	2.66%	
	EIKEN INDUSTRIES CUST STK HLDG	2.51%	
	KAKEGAWA SHINKIN BANK	1.61%	
	HIROSHI SHINOZAKI	1.45%	
(8) Relationship between YAMASHIN and EIKEN	Capital	None applicable	
	Personnel	None applicable	
	Business operations	None applicable	
	Related party information	None applicable	
(9) EIKEN's recent three-year operating results and financial condition (non-consolidated)			
Fiscal year	Fiscal year ended October 2013	Fiscal year ended October 2014	Fiscal year ended October 2015
Net assets	3,631 million yen	3,789 million yen	4,024 million yen
Total assets	4,876 million yen	5,028 million yen	5,270 million yen
Net assets per share	723.75 yen	755.22 yen	802.17 yen
Net sales	4,735 million yen	5,097 million yen	5,299 million yen
Operating income	239 million yen	297 million yen	399 million yen
Ordinary income	269 million yen	319 million yen	420 million yen
Net income	188 million yen	213 million yen	287 million yen
Net income per share	37.10 yen	42.59 yen	57.24 yen
Dividend per share	12.00 yen	15.00 yen	18.00 yen

4. Timetable

(1) Board of Directors resolution	February 15, 2016
(2) Signing of basic agreement	February 15, 2016

5. Outlook

The impact of this business alliance on the company's business performance for the fiscal year ending March 2016 is expected to be insignificant. However, the impact on the future business performance from the fiscal year ending March 2017 onward will be disclosed, by reflecting it in the company's business forecasts etc.